



MONTANA UNIVERSITY SYSTEM
OFFICE OF COMMISSIONER OF HIGHER EDUCATION

Exhibit No. 7

Date 3-3-09

Bill No. _____

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TO: Senate Finance & Claims Committee

FROM: Mick Robinson
Deputy Commissioner of Higher Education

DATE: March 3, 2009

SUBJECT: JOBS Bill – Funding Possibilities

We present the following for your consideration with respect to potential state stabilization funding flowing from the Federal JOBS legislation. We believe the following appropriation categories meet the specific direction of the legislation. SEC. 14004, USES OF FUNDS BY INSTITUTIONS OF HIGHER EDUCATION includes the following language: "A public institution of higher education that receives funds under this title shall use the funds for education and general expenditures, and in such a way as to mitigate the need to raise tuition and fees for in-state students, or modernization, renovation, or repair of institution of higher education facilities..."

We are prepared to discuss the specific aspects of each of these proposals and are more than willing to provide additional details, if requested.

1 – Mitigate Tuition Increases by Fund Present Law Increases to the level of the Governor's December 15th Budget or November 15th Budget

The Governor's December 15 Budget funds approximately 5% of the estimated Present Law increases for the Montana University System education units and House Bill 2 presently contains approved funding for the MUS at a level \$4.3 million below the Governor's December 15 Budget. The level of funding presently in HB 2 is therefore below FY 09 appropriation levels. The Governor's November 15 Budget funded 42% of the estimated Present Law increases. An additional \$11.5 million above the Nov. 15 budget would be required to achieve the 42% funding level. As a point of reference, the funding level required to cap tuition for the 2009 biennium was 85%.

2 – Mitigate Tuition Increases at Montana's Two-Year Colleges

With the economic downturn, we expect to see increases in enrollment especially at Montana's two-year colleges. To address the issue of access and affordability for students enrolling in Community Colleges and Colleges of Technology a base funding amount of \$3,226,409, in excess of the Governor's Dec. 15 Budget, will significantly mitigate the need to raise tuition at the two year colleges.

3 – Fund Operations & Maintenance Costs for New Two-Year Facilities

Newly constructed classroom facilities at the Great Falls COT and the Billings COT require the funding of operations and maintenance costs. For the 2011 Biennium, those costs total **\$1,210,997** and were not funded in the Governor's December 15 Budget. The funding of these costs will also mitigate potential tuition increases at these two-year facilities.

3 – Higher Education Facilities Modernization, Renovation & Repair

The Montana University System (including Community Colleges and Research Agencies) has prepared a detailed list of infrastructure modernization, renovation and repair project proposals. The proposals total approximately **\$25 million**. Many of these proposals relate to energy efficiency and energy conservation. All of the projects would be considered shovel ready.

4 – OTO Equipment Acquisition Funding

The Montana University System (including Community Colleges and Research Agencies) has prepared detailed lists of critical equipment needs. The equipment proposals total approximately **\$25 million**.